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ABSTRACT

Money has significant impacts on people's motivation and their work-related behavior in organizations. This study was conducted to develop the Money Ethic Scale (MES) and to examine the initial nomological network of the scale. A 25-page questionnaire on attitudes toward money was distributed to 1,200 subjects, including students and faculty of a state university, personnel managers attending professional compensation seminars, workers at an engineering development center, local schools, banks, churches, and other establishments. Of 689 usable questionnaires, only those from subjects with full-time work experience were selected (N=249). Fifty items were generated from the original MES scale. Data based on the original 50-item money questionnaire from 249 subjects were subjected to a principal components factor analysis and followed by a varimax rotation. Six factors were identified: Good, Evil, Achievement, Respect/Self-Esteem, Budget, and Freedom/Power. The test-retest reliability and inter-item consistency reliability for each subscale of the 30-item MES were satisfactory. The nomological network of the MES as related to demographic variables, personality variables, values, and work-related variables was also examined. (Author/NB)

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# The Meaning of Money Revisited: Workers' View

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Running head: MONEY

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Abstract

A total of 249 full-time employees completed a questionnaire which measured their attitudes towards money. Data from the 50-item money questionnaire were subjected to a principal components factor analysis and followed by a varimax rotation. Six factors were identified: Good, Evil, Achievement, Respect/Self-Esteem, Budget, and Freedom/Power. The test-retest reliability and inter-item consistency reliability for each subscales of the 30-item Money Ethic Scale (MES) were satisfactory. Further, the nomological network of the MES as related to demographic variables, personality variables, values, and work-related variables was also examined.

The Meaning of Money Revisited: Workers' View

Money has significant impacts on people's motivation and their work-related behavior in organizations (Lawler, 1981; Opsahl & Dunnette, 1966; Whyte, 1955). However, money isn't everything and its meaning is "in the eye of the beholder" (McClelland, 1967, p. 10). To some, money is a motivator (e.g., Lawler, 1981). Herzberg, Mausner, and Snyderman (1959), however, stated that money is a hygiene factor.

Furnham (1984) suggested that there is a dearth of empirical research concerning the meaning of money. In the literature, five (cf. Yamauchi & Templer, 1982) to seven (cf. Wernimont & Fitzpatrick, 1972) separate factors on the meaning of money were identified. However, the available research has very limited application to the field of organizational behavior.

The major purpose of the present study was to develop the Money Ethic Scale (MES). Items were generated based on the following research: money as related to different needs (e.g., Maslow, 1954), positive or negative attitudes towards money (Wernimont & Fitzpatrick, 1972), the management or control of money (Furnham, 1984), obsession, and power (Furnham, 1984; Yamauchi & Templer, 1982). The following factors were predicted for the Money Ethic Scale (MES): positive attitudes, negative (evil) attitudes, achievement, power, management of money, and self-esteem.

The present study also examined the initial nomological network of the scale. The hypotheses derived from this nomological network were tested. First, younger people were less security-minded than older people who in turn believe that money is a function of their effort and ability (Furnham, 1984). Hypothesis 1 predicted that age would be positively associated with the management of money. Furnham (1984) also found that females were more

conservative and security-conscious than males. Hypothesis 2 predicted that sex (females) would be associated with the management of money. "Income is used to judge success" (Rubenstein, 1981, p. 34). Hypothesis 3 predicted that income would be related to achievement.

Second, the Protestant Ethic (PE) (Mirels & Garrett, 1971) was associated with conservative attitudes (Furnham & Bland, 1983), saving and hoarding money, and "time is money" (Weber, 1958). PE was also correlated with guilt (Mirels & Garrett, 1971). Hypothesis 4 predicted that the PE would be correlated with the management of money and the negative (evil) attitudes. The Leisure Ethic Scale (LE) (Crandall & Slivken, 1980) was negatively correlated with PE (Tang & Baumeister, 1984) and PE was associated with guilt (Mirels & Garrett, 1971). Hypothesis 5 suggested that LE would be negatively associated with the evil attitudes and positively associated with the good attitudes. The economic man is interested in what is useful, whereas the political man is interested primarily in power (Allport, Vernon, & Lindzey, 1970). Thus, Hypothesis 6 predicted that achievement would be correlated with economical values. Power and self-esteem would be associated with political values. Finally, Hypothesis 7 predicted that for those who think that money represents one's achievement, they would expect to experience a low level of job satisfaction and life satisfaction.

## Method

### Subjects

A 25-page questionnaire was distributed to 1,200 subjects. Subjects were recruited from students and the faculty of a regional state university with 14,000 students, personnel managers attending professional compensation seminars, workers at Arnold Engineering Development Center in TN, local schools,

banks, churches, and other establishments. A total of 689 (out of 769 returned) copies was usable. In the present study, only subjects with full-time work experience were selected ($N$ = 249).

Measures

The Money Ethic Scale (MES). Fifty items were generated for the original MES scale. The response format was a 7-point, Likert-type scale using disagree strongly (1), neutral (4), and agree strongly (7) as anchor points. Other measures were also used: the Protestant Ethic Scale (Mirels & Garrett, 1971), Leisure Ethic Scale (Crandall & Slivken, 1980), Study of Values (Allport et al., 1970), Job Description Index (JDI) (Smith, Kendall, & Hulin, 1975), and life satisfaction (Flanagan, 1978) (see Tang, 1988).

## Results and Discussion

Data based on the original 50-item money questionnaire from 249 subjects were subjected to a principal components factor analysis. Using a criterion of eigenvalues greater than one, followed by the varimax rotation, and a scree-test, six factors (30 items, 42.8% of the variance) were selected for the final Money Ethic Scale (MES). These results are consistent with previous findings (cf. Furnham, 1984; Yamauchi & Templer, 1982). Items that had factor loading of .40 or greater on a factor were selected (see Table 1).

Factors of the Money Ethic Scale (MES)

Factor 1 had nine items which accounted for 17.0% of the common variance. It represents the idea that money is "Good", i.e., the positive attitudes towards money (cf. Wernimont & Fitzpatrick, 1972). Factor 2 contained six items (8.2% of the variance) and was labeled "Evil". This subscale reveals the negative attitudes towards money.

The four items of Factor 3 were best characterized as "Achievement" which accounted for 5.8% of the variance. "In America, money is how we keep score" (Rubenstein, 1981, p. 36). Further, "one is not interested in money, but in what money will buy" (Crump, 1981, p. 16). Factor 4, "Respect"/"Self-Esteem", had four items (4.4% of the variance). Money may help people express their competence and abilities, and gain self-esteem, and respect from others.

Factor 5 had three items and accounted for 4.1% of the variance. This factor reveals how people "Budget" their money which is related to the notion of "retention" and "effort/ability" (Furnham, 1984). There were four items for Factor 6 "Freedom"/"Power" (3.3% of the variance). With money, one is able to have autonomy, freedom, and security, be what one wants to be, and influence others. Money is Power (Furnham, 1984).

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Insert Table 1 and 2 about here

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Reliability

The Cronbach's alpha for each of the six subscales of the MES was as follows: .81, .69, .70, .68, .72, and .71, respectively. The test-retest reliability (N = 50, 4 weeks apart) for each of the six subscales was as follows: .67, .56, .61, .63, .65, and .83, respectively. Thus, the MES scale has satisfactory inter-item consistency and test-retest reliability.

The Nomological Network of the Money Ethic Scale

Table 2 shows that one's ability to Budget money was correlated with age (Hypothesis 1) and sex (female) (Hypothesis 2). High income people thought that money revealed one's Achievement (Hypothesis 3) and that money was not Evil. Young people stated that money was Evil.

High Protestant Ethic subjects (PEs) Budgeted their money properly and felt that money was Evil (Hypothesis 4) and Freedom/Power. High Leisure Ethic individuals (LEs) tended to see money as Good, less Evil (Hypothesis 5), Achievement, and Freedom/Power.

Economic and political values were positively associated with Achievement (Hypothesis 6), Respect/Self-Esteem, and Power. Social and religious values were negatively correlated with Achievement and Power. Thus, social and religious values are different from economic and political values. Religious value was negatively correlated with Good and Respect.

People who valued money as Achievement experienced a low level of satisfaction with work, promotion, supervision, co-worker, and overall life satisfaction (Hypothesis 7). The desires to have more Freedom and Power from money were associated with lower satisfaction with work, pay, co-worker, and overall life satisfaction. People with high work satisfaction felt that money was not Evil. People who Budgeted their money well were satisfied with their life. Further, income was significantly correlated with satisfaction of work ($r$ = .20, $p$ = .003), pay ($r$ = .38, $p$ = .001), and promotion ($r$ = .13, $p$ = .035). These results provide evidence of construct validity for the MES.

The attitudes towards money are by no means unidimensional (Furnham, 1984). People's attitudes towards money, as measured by MES, can be perceived as their "frame of reference" in which they examine their everyday life. It should be pointed out that the correlations presented are relatively low and the results should be interpreted with caution due to its small and non-representative sample. More research is needed to fully establish the construct validity and the nomological network of associations in which the MES exists (cf. Anastasi, 1988).

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Table 1

Factor Loadings for The Money Ethic Scale

| Item | Loading |
|---|---|
| **Factor 1: Good** | |
| 1. Money is an important factor in the lives of all of us. | .68 |
| 2. Money is good. | .62 |
| 17. Money is important. | .60 |
| 46. I value money very highly. | .57 |
| 24. Money is valuable. | .52 |
| 36. Money does not grow on trees. | .52 |
| 27. Money can buy you luxuries. | .52 |
| 14. Money is attractive. | .49 |
| 45. I think that it is very important to save some money. | .45 |
| **Factor 2: Evil** | |
| 15. Money is the root of all evil. | .76 |
| 4. Money is evil. | .64 |
| 21. Money spent is money lost (wasted). | .59 |
| 32. Money is shameful. | .58 |
| 19. Money is useless. | .57 |
| 37. A penny saved is a penny earned. | .40 |
| **Factor 3: Achievement** | |
| 5. Money represents one's achievement. | .74 |
| 9. Money is the most important thing (goal) in my life. | .61 |
| 8. Money is a symbol of success. | .58 |
| 3. Money can buy everything. | .52 |

(Table continues)

Table 1

| Item | | Loading |
|---|---|---|
| | Factor 4: Respect (Self-Esteem) | |
| 20. | Money makes people respect you in the community. | .71 |
| 31. | Money is honorable. | .61 |
| 25. | Money will help you to express your competence and abilities. | .60 |
| 12. | Money can bring you many friends. | .52 |
| | Factor 5: Budget | |
| 47. | I use my money very carefully. | .83 |
| 48. | I budget my money very well. | .81 |
| 43. | I pay my bills immediately in order to avoid interest or penalties. | .59 |
| | Factor 6: Freedom (Power) | |
| 11. | Money gives you autonomy and freedom. | .63 |
| 7. | Money in the bank is a sign of security. | .57 |
| 29. | Money can give you the opportunity to be what you want to be. | .51 |
| 30. | Money means power. | .49 |

Note. $N = 249$.

Table 2

Mean, Standard Deviation, and Correlations of The Money Ethic Scale (MES) and The Nomological Network of MES

| Variable | M | SD | Factor 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|---|---|
| **The Money Ethic Scale** | | | | | | | | |
| 1. Good | 51.12 | 6.25 | | -36*** | 23*** | 28*** | 25*** | 46*** |
| 2. Evil | 16.93 | 5.43 | | | 08 | 07 | -00 | -06 |
| 3. Achievement | 12.84 | 4.44 | | | | 46*** | -06 | 47*** |
| 4. Respect | 15.05 | 4.55 | | | | | 04 | 52*** |
| 5. Budget | 15.28 | 3.70 | | | | | | 11* |
| 6. Freedom (Power) | 19.69 | 4.55 | | | | | | |
| **Demographic Variable** | | | | | | | | |
| Age | 35.04 | 10.84 | 09 | -19*** | -03 | 02 | 12* | -04 |
| Sex (Female = 0, Male = 1) | | | 03 | -00 | 08 | -00 | -13* | 05 |
| Income (1,000) | 23.21 | 12.92 | 02 | -21*** | 14* | -06 | -18** | -01 |
| **Personality Variable** | | | | | | | | |
| Work Ethic | 84.93 | 11.97 | 05 | 35*** | -08 | 10 | 19** | 11* |
| Leisure Ethic | 47.71 | 7.37 | 25*** | -19** | 12* | 10 | -04 | 18** |
| Study of Values | | | | | | | | |
| Theoretical | 39.56 | 7.07 | 04 | -06 | 17** | -00 | -07 | 15** |
| Economical | 43.54 | 7.72 | 18** | -01 | 27*** | 13* | -08 | 19** |
| Aesthetic | 38.27 | 8.05 | -17** | -07 | 02 | 02 | -09 | -01 |
| Social | 37.84 | 7.48 | 01 | 15** | -22*** | -10 | 15* | -19*** |

(Table continues)

Table 2

| Variable | M | SD | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|---|---|
| Political | 40.30 | 6.73 | 15** | -10 | 29*** | 16** | -05 | 19*** |
| Religious | 40.57 | 10.76 | -11* | 10 | -34*** | -12* | 10 | -22*** |
| Work-Related Variable | | | | | | | | |
| Job Satisfaction (JDI) | | | | | | | | |
| Work | 35.53 | 10.24 | 02 | -14* | -24*** | -00 | 01 | -13* |
| Pay | 32.85 | 13.90 | -04 | 03 | -06 | -11* | -04 | -17** |
| Promotion | 26.52 | 18.91 | -01 | 05 | -14* | 06 | 07 | -05 |
| Supervision | 41.39 | 13.15 | 11 | -10 | -12* | 11 | 17** | -02 |
| Co-worker | 42.68 | 11.71 | 01 | -07 | -24*** | -00 | 01 | -13* |
| Life Satisfaction | 5.47 | 1.14 | -05 | -02 | -22*** | -01 | 26*** | -18** |

Note. N = 249. All decimals have been omitted for correlations.

*p < .05, **p < .01, ***p < .001.